

## **ECONOMIC IMPACT STATEMENT**

Regulation Number: 129-5-1

Regulation Name: Prior Authorization

Summary of Proposed Changes: The following changes will be made to regulation 129-5-1 regarding prior authorization of pharmaceutical products:

These therapeutic classes of drugs have been evaluated by the Preferred Drug List Advisory Committee and found to be clinically equivalent. To ensure the most clinically appropriate utilization of these drugs in the most cost-effective manner, the following drugs will require prior authorization:

- Ace inhibitors: quinapril
- Short acting beta 2 inhaled agonists: metaproterenol inhaler, levalbuterol solution, albuterol solution 0.021% and 0.042%
- Muscle relaxant - antispasticity agents: dantrolene
- Anti-diabetic drugs: Fortamet®, Glumetza®

The following drugs are being removed from prior authorization because the drugs in these therapeutic classes have been found to be clinically equivalent by the Preferred Drug List Advisory Board and they are now cost-effective:

- Anti-diabetic drugs: glimepiride, glyburide/metformin, metformin extended release generic formulations
- Ace inhibitors: fosinopril
- Beta-Blockers: nadolol, timolol
- Sedative-hypnotics: zolpidem generic formulations
- Statins: rosuvastatin
- Skeletal muscle relaxants: methocarbamol, methocarbamol/aspirin
- Muscle relaxant – antispasticity agents: tizanidine tablet formulation

The following drugs will require prior authorization to ensure appropriate utilization because of safety issues (black box warning or FDA Advisory notices) and or abuse/potential:

- Antibiotic: telithromycin
- Antiemetic: nabilone

Federal Mandate: This regulation change is not federally mandated.

Economic Impact: It is expected that these changes will reduce Medicaid expenditures by \$588,000 SGF and \$980,000 FFP annually.

Bearer of Cost: The cost of reviewing Prior Authorization will be borne by KHPA. If a Medicaid consumer wishes to have a drug despite a PA denial the cost will be borne by the consumer.

Affected Parties: Medicaid consumers, pharmacists and the Medicaid agency.

Other Methods: There were no other appropriate methods for the desired outcome.